

TABLE 1. Basic cost information for San Juan Count Projected 2010.

| Item | | | |
|---------------------------------|----------------------------|--|--------|
| Labor Wage Rate: | | | |
| Equipment operators | \$/hour | | 7.55 |
| General & Irrigators | \$/hour | | 7.25 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | \$/pound | | 0.58 |
| Phosphate (P205) | \$/pound | | 0.51 |
| Seed: | | | |
| Alfalfa | \$/pound | | 3.75 |
| Oats | \$/pound | | 0.32 |
| Pasture | \$/pound | | 5.00 |
| Wire | \$/pound | | 0.61 |
| Canal Water | \$/acre foot | | 30.50 |
| Energy: | | | |
| Diesel fuel | \$/gallon | | 2.80 |
| Gasoline | \$/gallon | | 2.50 |
| Natural Gas | \$/MCF | | 5.89 |
| LP Gas | \$/gallon | | 2.40 |
| Electricity | cents/KwHr | | 10.42 |
| Employee Liability Insurance | \$/1,000 wages | | 20.00 |
| Employee Benefits | percent/w ages | | 18.00% |
| Labor Downtime | percent | | 25.00% |
| Financial Rates: | | | |
| Operating Capital Interest Rate | percent | | 7.50% |
| Land Interest Rate | percent | | 7.00% |
| Equipment Interest Rate | percent | | 7.50% |
| Real Interest Rate | percent | | 3.00% |
| Land Taxes | 253.00 /acre (full value) | | 2.07 |
| Personal Property Tax Rate - NR | -\$/1,000 (Assessed Value) | | 26.34 |
| | - R | | 26.81 |
| Supervision Factors | | | |
| Field Crop-Irrigation | \$/labor hour | | 1.00 |
| Field Crop-Equipment & General | \$/labor hour | | 0.50 |
| Management Rate | percent | | 4.00% |

BUDGET AREA..... SAN JUAN COUNTY Projected 2010.
 FARM SIZE..... 20 ACRES
 IRRIGATION TYPE..... FLOOD
 NUMBER OF CROPS..... 2

| ACREAGE SUMMARY: | WATER USE | | |
|------------------------------------|------------------|----------------|--------------|
| | LAND USE (ACRES) | AC.IN. PER AC. | TOTAL AC.IN. |
| ALFALFA ESTABLISHMENT | 1.5 | 48.00 | 72.0 |
| ALFALFA | 9.0 | 60.00 | 540.0 |
| PASTURE ESTABLISHMENT | 0.5 * | 21.00 | 10.5 |
| PASTURE | 10.0 | 62.00 | 620.0 |
| TOTAL | 21.0 | | 1,242.5 |
| ACRE FEET PER ACRE OF WATER RIGHTS | | | 4.93 |

* DOUBLE-CROPPED

TABLE 1a. Overhead cost information for San Juan County, 2010.

| ITEM | | CROP ENTERPRISE | LIVESTOCK ENTERPRISE | TOTAL |
|------------------------------------|--------------------------|-----------------|----------------------|-------|
| Electricity (Domestic & Shop) | | 35.40 per month | 425 | 425 |
| Telephone | | 35.40 per month | 425 | 425 |
| Accounting & Legal | | | 136 | 136 |
| Misc. Supplies & Hand Tools | | | 299 | 299 |
| Pickup and Auto | Crop Ent. Livestock Ent. | | | 0 |
| | miles 5,481 1,545 @ | 0.415 per mile | 2,275 641 | 2,916 |
| Insurance | | | | 0 |
| - general liability (non-employee) | | | 0 | 0 |
| - firetheft | | | 0 | 0 |
| Property Taxes | | | | 0 |
| - non-planted land | | | 0 | 0 |
| - other than land & machinery | | | 60 | 60 |
| Building repairs and maintenance | | | 130 | 130 |
| Dues, fees, publications | | | 124 | 124 |
| Farmstead Equipment | | | 208 | 208 |
| | | Total | 4,080 641 | 4,721 |
| | Total per planted acre | | 194.28 | |

TABLE 2a. Equipment summary for a 20 acre flood-irrigated part-time farm, San Juan County. Projected 2010.

| EQUIPMENT ITEM & SIZE | ANNUAL | | VARIABLE COSTS | | | | | FIXED COSTS | | |
|------------------------------|-----------------|--------|----------------|------------------------|---------|--------------------|------------------|-------------------|-------|-------------------|
| | HOURS OF USE | NUMBER | TOTAL VALUE | FUEL, OIL LUBRICANT | REPAIR | FUEL,OIL PER HR | REPAIR PER HR | DEPRE- CIATION | TAXES | TOTAL PER HOUR |
| TRACTOR 65 HP | 36.2 | 1 | 2400 | 237.60594 | 8.9595 | 6.5637 | 0.2475 | 137.5 | 22.55 | 4.4212707 |
| MOWER 7 FT | 12.825 | 1 | 1300 | | 7.3359 | | 0.572 | 130 | 10.66 | 10.967641 |
| RAKE | 7.41 | 1 | 750 | | 2.4453 | | 0.33 | 75 | 6.15 | 10.951417 |
| DISC 6 FT (BORROWED) | 1.68 | 1 | 0 | | 0 | | 0 | | | |
| PLOW 3-14 (BORROWED) | 1.66 | 1 | 0 | | 0 | | 0 | | | |
| HARROW 8 FT | 8.815 | 1 | 200 | | 0.07052 | | 0.008 | 20 | 1.64 | 2.4549064 |
| DITCHER (BORROWED) | 2.1 | 1 | 0 | | 0 | | 0 | | | |
| DRILL 10 FT (BORROWED) | 0.66 | 1 | 0 | | 0 | | 0 | | | |
| FERT SPREADER DEALER FURNISH | 1.05 | 1 | | | | | | | | |
| | | | 4,650 | 238 | 19 | | | 363 | 41 | |

Table 2b. Value of Resources for Livestock Enterprise

| | UNIT | QUANTITY | \$/UNIT | TOTAL | USEFUL LIFE | EPRECIATION |
|-------------------------|------|----------|---------|--------|----------------|-------------|
| Cattle: | | | | | | |
| Cows | NO | 0 | 650 | 0 | | |
| Replacement Heifers | NO | 0 | 650 | 0 | | |
| Yearling Heifers | NO | 0 | 462 | 0 | | |
| Yearlings Steers | NO | ACRES | 564 | 0 | | |
| Bulls | NO | 0 | 1000 | 0 | | |
| Horses | NO | 0 | 1000 | 0 | | |
| Subtotal | | | | 0 | | |
| Other Range Facilities: | | | | | | |
| Fencing | | | | | | |
| - Permanent | MI | 6 | 1500 | 9000 | 25 | 360 |
| - temporary | MI | 11 | 250 | 2750 | 10 | 275 |
| Pipelines | MI | 2 | 300 | 600 | 20 | 30 |
| Tanks and Reservoirs | NO | 2 | 500 | 1000 | 40 | 25 |
| Corrals | NO | 1 | 5000 | 5000 | 25 | 200 |
| Livestock Trailer | NO | 1 | 2500 | 2500 | 10 | 250 |
| Subtotal | | | | 20,850 | | |
| Total | | | | 20850 | | 1140 |

Table 3a. Livestock Production Parameters

| | |
|----------------------------------|--------|
| NUMBER OF COWS | 0 |
| COWS PER BULL | 0 |
| NUMBER OF HORSES | 0 |
| REPLACEMENT RATE (%) | 0 |
| CALF DEATH LOSS (%) | 0.03 |
| YEARLING DEATH LOSS (%) | 0.0125 |
| COW DEATH LOSS (%) | 0.01 |
| BULL DEATH LOSS (%) | 0 |
| CALF CROP (%) | 0.9 |
| PRODUCTIVE LIFE OF BULLS (YEARS) | 5 |
| CALVES PURCHASED | |
| HEIFERS | 0 |
| STEERS | 20 |

Table 3b. Forage Sources for Livestock

| | AUMS/ | | AUMS PROVIDED |
|-------------------|-------|------|------------------|
| | ACRES | ACRE | |
| ALFALFA | 9.00 | 1.40 | 12.60 |
| PERMANENT PASTURE | 10 | 7 | 70 |
| BALED HAY (TONS) | | 0.56 | 1.4 |
| TOTAL | 19.00 | | 84.00 |

Table 3c. STOCK COUNT CHART

| SEASON | YEARLING | YEARLING | TOTAL |
|-----------|----------|----------|------------------|
| | STEERS | HEIFERS | AUMs REQUIRED |
| | 0.7 | 0.7 | |
| JANUARY | | | 0 |
| FEBUARY | | | 0 |
| MARCH | | | 0 |
| APRIL | | | 0 |
| MAY | 20 | | 14 |
| JUNE | 20 | | 14 |
| JULY | 20 | | 14 |
| AUGUST | 20 | | 14 |
| SEPTEMBEF | 20 | | 14 |
| OCTOBER | 20 | | 14 |
| NOVEMBER | | | 0 |
| DECEMBER | | | 0 |
| | | | <u>84</u> |

Table 3d. FORAGE BALANCE CHART

| | TOTAL | PERMANENT | | TOTAL | HAY |
|------------|------------------|-----------|---------|------------------|-----|
| | AUMs REQUIRED | ALFALFA | PASTURE | AUMs SUPPLIED | |
| JANUARY | 0 | 0 | 0 | 0 | 0 |
| FEBRUARY | 0 | 0 | 0 | 0 | 0 |
| MARCH | 0 | 0 | 0 | 0 | 0 |
| APRIL | 0 | 0 | 0 | 0 | 0 |
| MAY | 14 | 0 | 14 | 14 | 0 |
| JUNE | 14 | 0 | 14 | 14 | 0 |
| JULY | 14 | 0 | 14 | 14 | 0 |
| AUGUST | 14 | 0 | 14 | 14 | 0 |
| SEPTEMBEF | 14 | 0 | 14 | 14 | 0 |
| OCTOBER | 14 | 12.6 | 0 | 12.6 | 1.4 |
| NOVEMBER | 0 | 0 | 0 | 0 | 0 |
| DECEMBER | 0 | 0 | 0 | 0 | 0 |
| Total AUMs | 84 | 12.6 | 70 | 82.6 | 1.4 |

TABLE 4. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 20 acre part-time farm, San Juan County.
 Projected 2010.
 Planting dates: April 15 - June 1
 Harvest dates: June 15 - July 1

| ITEM | PRICE | YIELD | | TOTAL | | | |
|----------------------------------|---------------------|----------------------|------------------|----------------|---------|------------|--------|
| GROSS RETURNS | | | | | | | |
| OAT HAY | 100.00 | 2.00 TONS (IN FIELD) | | 200.00 | | | |
| TOTAL | | | | <u>200.00</u> | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | TOTAL | | | |
| ALFALFA SEED | 3.75 | 20.00 LBS | 75.00 | 75.00 | | | |
| OAT SEED | 0.32 | 45.00 LBS | 14.40 | 14.40 | | | |
| PHOSPHATE (P2O5) | 0.51 | 45.00 LBS | 22.95 | 22.95 | | | |
| CANAL WATER | | 48.00 AC. IN. | 30.50 | 122.00 | | | |
| CANAL WATER (MAINTENANCE) | | 1 ACRE | | 8.00 | | | |
| SUBTOTAL | | | <u>142.85</u> | <u>130.00</u> | | | |
| PREHARVEST OPERATIONS | | | | TOTAL | | | |
| POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| PLOW | 65 HP | 0.83 HR | | 6.27 | 10.09 | 0.21 | 20.27 |
| DISC (2X) | 65 HP | 0.84 HR | | 6.34 | 10.21 | 0.21 | 20.51 |
| FERTILIZE | 65 HP | 0.05 HR | | 0.38 | 0.61 | 0.01 | 1.22 |
| CORRUGATE | 65 HP | 0.41 HR | | 3.10 | 4.98 | 0.10 | 11.03 |
| DRILL | 65 HP | 0.33 HR | | 2.49 | 4.01 | 0.08 | 8.06 |
| DITCHER | 65 HP | 0.10 HR | | 0.76 | 1.22 | 0.02 | 2.44 |
| IRRIGATE (6X) | | 3.00 HR | | 21.75 | | | 21.75 |
| SUBTOTAL | | 5.56 HR | | 41.08 | 31.12 | 0.64 | 85.27 |
| HARVEST OPERATIONS | | | | | | | |
| MOWER | 65 HP | 0.45 HR | | 3.40 | 5.47 | 0.37 | 16.21 |
| RAKE | 65 HP | 0.26 HR | | 1.96 | 3.16 | 0.15 | 9.30 |
| BALER (CUSTOM) | | | 65.60 | | | | 65.60 |
| SUBTOTAL | | 0.71 HR | 65.60 | 5.36 | 8.63 | 0.52 | 91.10 |
| OVERHEAD EXPENSES | | | | | | | |
| DOWNTIME | | 0.82 HR | | 6.17 | | | 6.17 |
| EMPLOYEE BENEFITS | | | | 8.36 | | | 8.36 |
| INSURANCE | | | 0.93 | | | | 0.93 |
| LAND TAXES | | | | | | 2.07 | 2.07 |
| SUPERVISION AND MANAGEMENT | | | | 17.74 | | | 17.74 |
| OTHER EXPENSES | | | 194.28 | | | | 194.28 |
| SUBTOTAL | | 0.82 HR | 195.21 | 32.27 | | 2.07 | 229.55 |
| TOTAL OPERATING EXPENSES | | 7.09 HR | 403.66 | 78.71 | 39.75 | 1.16 | 648.28 |
| NET OPERATING PROFIT | | | | -448.28 | | | |
| INTEREST ON OPERATING CAPITAL | (| 70.34 @ | 0.08) | | | | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | 5.28 | | | |
| RETURN TO LAND AND RISK | | | | -478.28 | | | |

TABLE 5. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 20 acre part-time farm, San Juan County.
 Projected 2010.
 Harvesting dates: June 10 - October 15

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|----------------------|------------------|---------------|--------------|-------------|----------------|---------------|
| GROSS RETURNS | | | | | | | | |
| ALFALFA HAY | 130.00 | 5.50 TONS (IN FIELD) | | | | | | 715.00 |
| GRAZING | 10.00 | 1.40 AUM | | | | | | 14.00 |
| TOTAL | | | | | | | 729.00 | |
| PURCHASED INPUTS | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL |
| PHOSPHATE (P2O5) | 0.51 | 45.00 LBS | 22.95 | | | | | 22.95 |
| ESTABLISHMENT: Principal | | 6.00 YEARS | | | | | 79.71 | 79.71 |
| : Interest | | | | | | | 29.39 | 29.39 |
| LIVESTOCK FAC & EQUIP | | | | | | | 5.00 | 5.00 |
| CANAL WATER | | 60.00 AC. IN. | | | | | 152.50 | 152.50 |
| CANAL WATER (MAINTENANCE) | | 1 ACRE | | | | | 8.00 | 8.00 |
| SUBTOTAL | | | 22.95 | | | | 274.61 | 297.56 |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| FERTILIZE | 65 HP | 0.05 HR | | 0.38 | 0.61 | 0.01 | 0.22 | 1.22 |
| DITCHER | 65 HP | 0.10 HR | | 0.76 | 1.22 | 0.02 | 0.45 | 2.44 |
| CORRUGATE | 65 HP | 0.41 HR | | 3.10 | 4.98 | 0.10 | 2.84 | 11.03 |
| IRRIGATE (10X) | | 5.00 HR | | 36.25 | | | | 36.25 |
| SUBTOTAL | | 5.56 HR | | 40.48 | 6.81 | 0.14 | 3.51 | 50.94 |
| HARVEST OPERATIONS | | | | | | | | |
| MOWER (3X) | 65 HP | 1.35 HR | | 10.19 | 16.41 | 1.11 | 20.91 | 48.62 |
| RAKE (3X) | 65 HP | 0.78 HR | | 5.89 | 9.48 | 0.45 | 12.07 | 27.89 |
| BALER (CUSTOM) | | | 180.40 | | | | | 180.40 |
| SUBTOTAL | | 2.13 HR | 180.40 | 16.08 | 25.89 | 1.56 | 32.98 | 256.91 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 1.92 HR | | 14.51 | | | | 14.51 |
| EMPLOYEE BENEFITS | | | | 10.18 | | | | 10.18 |
| INSURANCE | | | 1.13 | | | | | 1.13 |
| LAND TAXES | | | | | | | 2.07 | 2.07 |
| SUPERVISION AND MANAGEMENT | | | | 23.34 | | | | 23.34 |
| OTHER EXPENSES | | | 194.28 | | | | | 194.28 |
| SUBTOTAL | | 1.92 HR | 195.41 | 48.04 | | | 2.07 | 245.53 |
| TOTAL OPERATING EXPENSES | | 9.61 HR | 398.76 | 104.60 | 32.70 | 1.70 | 313.18 | 850.94 |
| NET OPERATING PROFIT | | | | | | | -121.94 | |
| INTEREST ON OPERATING CAPITAL | (| 30.53 @ | 0.08) | | | | | 2.29 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | 32.21 | |
| RETURN TO LAND AND RISK | | | | | | | -156.43 | |

BUDGET SUMMARY

| | | | |
|-------------------------------|--------|---------|---|
| GROSS RETURN | | 729.00 | |
| VARIABLE OPERATING EXPENSES | 433.16 | | |
| RETURN OVER VARIABLE EXPENSES | | 295.84 | (GROSS MARGIN) |
| FIXED EXPENSES | 313.18 | | |
| NET FARM INCOME | | -17.34 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | 104.60 | | |
| NET OPERATING PROFIT | | -121.94 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | 34.50 | | |
| RETURN TO LAND AND RISK | | -156.43 | |

TABLE 6. Permanent pasture establishment, flood-irrigated, budgeted per acre costs and returns for a 20 acre part-time farm, San Juan County. Projected 2010.
Planting dates: August 15 - September 15

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL |
|---------------------------------|------------|---------------------|------------------|--------|-------------|---------|------------|--------|
| <u>PURCHASED INPUTS</u> | | | | | | | | |
| SEED | 5.00 | 15.00 LBS | | | | | 75.00 | |
| NITROGEN (N) | 0.58 | 20.00 LBS | | | | | 11.60 | |
| PHOSPHATE (P205) | 0.51 | 50.00 LBS | | | | | 25.50 | |
| CANAL WATER | | 21.00 AC. IN. | | | | 53.38 | 53.38 | |
| CANAL WATER (MAINTENANCE) | | | | | | 8.00 | 8.00 | |
| SUBTOTAL | | | | 112.10 | | 61.38 | 173.48 | |
| <u>PREHARVEST OPERATIONS</u> | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| PLOW | 65 HP | 0.83 HR | | 6.27 | 10.09 | 0.21 | 3.71 | 20.27 |
| DISC (2X) | 65 HP | 0.84 HR | | 6.34 | 10.21 | 0.21 | 3.75 | 20.51 |
| HARROW | 65 HP | 0.41 HR | | 3.10 | 4.98 | 0.10 | 2.84 | 11.03 |
| FERTILIZE | 65 HP | 0.05 HR | | 0.38 | 0.61 | 0.01 | 0.22 | 1.22 |
| CORRUGATE | 65 HP | 0.41 HR | | 3.10 | 4.98 | 0.10 | 2.84 | 11.03 |
| DRILL | 65 HP | 0.33 HR | | 2.49 | 4.01 | 0.08 | 1.47 | 8.06 |
| DITCHER | 65 HP | 0.10 HR | | 0.76 | 1.22 | 0.02 | 0.45 | 2.44 |
| IRRIGATE (3X) | | 1.50 HR | | 10.88 | | | | 10.88 |
| SUBTOTAL | | 4.47 HR | | 33.30 | 36.10 | 0.74 | 15.29 | 85.43 |
| <u>OVERHEAD EXPENSES</u> | | | | | | | | |
| DOWNTIME | | 1.12 HR | | 8.44 | | | | 8.44 |
| EMPLOYEE BENEFITS | | | | 0.00 | | | | 0.00 |
| INSURANCE | | | 0.79 | | | | | 0.79 |
| SUPERVISION AND MANAGEMENT | | | | 14.13 | | | | 14.13 |
| SUBTOTAL | | 1.12 HR | 0.79 | 22.56 | | | | 23.36 |
| <u>TOTAL OPERATING EXPENSES</u> | | 5.59 HR | 112.89 | 55.86 | 36.10 | 0.74 | 76.66 | 282.26 |

TABLE 7. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for a 20 acre part-time farm, San Juan County. Projected 2010. Harvesting dates: Year Round

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|-------|-------------|---------|------------|---------|
| GROSS RETURNS | | | | | | | | |
| PASTURE | 12.00 | 7.00 AUMS | | | | | | 84.00 |
| TOTAL | | | | | | | | 84.00 |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL |
| NITROGEN (N) | 0.58 | 100.00 LBS | 58.00 | | | | | 58.00 |
| ESTABLISHMENT: Principal | | 20.00 YEARS | | | | | 14.11 | 14.11 |
| : Interest | | | | | | | 9.89 | 9.89 |
| CANAL WATER | | 62.00 AC. IN. | | | | | 157.58 | 157.58 |
| CANAL WATER (MAINTENANCE) | | 1 ACRE | | | | | 8.00 | 8.00 |
| SUBTOTAL | | | 58.00 | | | | 189.58 | 247.58 |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| FERTILIZE | 65 HP | 0.05 HR | | 0.38 | 0.61 | 0.01 | 0.22 | 1.22 |
| CORRUGATE | 65 HP | 0.41 HR | | 3.10 | 4.98 | 0.10 | 2.84 | 11.03 |
| DITCHER | 65 HP | 0.10 HR | | 0.76 | 1.22 | 0.02 | 0.45 | 2.44 |
| IRRIGATE (11X) | | 5.50 HR | | 39.88 | | | | 39.88 |
| SUBTOTAL | | 6.06 HR | | 44.10 | 6.81 | 0.14 | 3.51 | 54.56 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 3.03 HR | | 22.88 | | | | 22.88 |
| EMPLOYEE BENEFITS | | | | 0.00 | | | | 0.00 |
| INSURANCE | | | 0.88 | | | | | 0.88 |
| LAND TAXES | | | | | | | 2.07 | 2.07 |
| SUPERVISION AND MANAGEMENT | | | | 24.21 | | | | 24.21 |
| OTHER EXPENSES | | | 194.28 | | | | | 194.28 |
| SUBTOTAL | | 3.03 HR | 195.16 | 47.08 | | | 2.07 | 244.32 |
| TOTAL OPERATING EXPENSES | | 9.09 HR | 253.16 | 91.19 | 6.81 | 0.14 | 195.17 | 546.47 |
| NET OPERATING PROFIT | | | | | | | | -462.47 |
| INTEREST ON OPERATING CAPITAL | (| 30.74 @ | 0.08) | | | | | 2.31 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | 3.89 |
| RETURN TO LAND AND RISK | | | | | | | | -468.66 |

PASTURE LIVESTOCK
-0.1141374 0.01

BUDGET SUMMARY

| | | | |
|-------------------------------|--------|---------|---|
| GROSS RETURN | | 84.00 | |
| VARIABLE OPERATING EXPENSES | 260.11 | | |
| RETURN OVER VARIABLE EXPENSES | | -176.11 | (GROSS MARGIN) |
| FIXED EXPENSES | 195.17 | | |
| NET FARM INCOME | | -371.28 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | 91.19 | | |
| NET OPERATING PROFIT | | -462.47 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | 6.19 | | |
| RETURN TO LAND AND RISK | | -468.66 | |

TABLE 8. Summary of per acre costs and returns for a 20 acre part-time farm, San Juan County.
Projected 2010.

| | ALFALFA ESTABLISHMENT | ALFALFA HAY -----FLOOD----- | ANNUAL PASTURE EST. | ANNUAL PASTURE |
|----------------------------------|--------------------------|-----------------------------------|---------------------------|-------------------|
| | TONS | TONS | | AUMS |
| PRIMARY YIELD | 2.00 | 5.50 | | 7.00 |
| PRIMARY PRICE | 100.00 | 130.00 | | 12.00 |
| GOVERNMENT PAYMENTS | 0.00 | 0.00 | | 0.00 |
| SECOND INCOME | 0.00 | 14.00 | | 0.00 |
| GROSS RETURN | 200.00 | 729.00 | | 84.00 |
| CASH OPERATING EXPENSES | | | | |
| SEED | 89.40 | | 75.00 | |
| FERTILIZER | 22.95 | 22.95 | 37.10 | 58.00 |
| CHEMICALS | | | | |
| CROP INSURANCE | | | | |
| OTHER PURCHASED INPUTS | 0.00 | 0.00 | 0.00 | 0.00 |
| CANAL WATER | | | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | 39.75 | 32.70 | 36.10 | 6.81 |
| FUEL-IRRIGATION | | | | |
| REPAIRS | 1.16 | 1.70 | 0.74 | 0.14 |
| CUSTOM CHARGES | 65.60 | 180.40 | | |
| LAND TAXES | 2.07 | 2.07 | | 2.07 |
| OTHER EXPENSES | 195.21 | 195.41 | 0.79 | 195.16 |
| TOTAL CASH EXPENSES | 416.14 | 435.23 | 149.73 | 262.19 |
| RETURN OVER CASH EXPENSES | -216.14 | 293.77 | -149.73 | -178.19 |
| FIXED EXPENSES | 153.44 | 311.11 | 76.66 | 193.10 |
| TOTAL EXPENSES | 569.57 | 746.34 | 226.40 | 455.28 |
| NET FARM INCOME | -369.57 | -17.34 | -226.40 | -371.28 |
| LABOR AND MANAGEMENT COSTS | 78.71 | 104.60 | 55.86 | 91.19 |
| NET OPERATING PROFIT | -448.28 | -121.94 | -282.26 | -462.47 |
| CAPITAL COSTS | | | | |
| INTEREST ON OPERATING CAPITAL | 5.28 | 2.29 | | 2.31 |
| INTEREST ON EQUIPMENT INVESTMENT | 24.72 | 32.21 | | 3.89 |
| TOTAL CAPITAL COSTS | 30.00 | 34.50 | 0.00 | 6.19 |
| RETURN TO LAND AND RISK | -478.28 | -156.43 | -282.26 | -468.66 |

TABLE 9. Whole farm summary, San Juan County. Projected 2010.

| | | |
|----------------------------------|-------------|------------------|
| GROSS RETURNS | | |
| OAT HAY | 1.50 ACRES | |
| CROP | | 300.00 |
| GRAZING | | 0.00 |
| ALFALFA HAY | 9.00 ACRES | |
| CROP | | 6,435.00 |
| GRAZING | | 126.00 |
| PASTURE | 10.00 ACRES | |
| GRAZING | | 840.00 |
| LIVESTOCK | | 14,784.00 |
| GROSS RETURN | | <u>22,485</u> |
| | | |
| CASH OPERATING EXPENSES | | |
| FORAGE | | 966.00 |
| FEED AND LIVESTOCK | | 11,098.25 |
| SEED | | 171.60 |
| FERTILIZER | | 839.53 |
| CHEMICALS | | 0.00 |
| CROP INSURANCE | | 0.00 |
| OTHER PURCHASED INPUTS | | 0.00 |
| CANAL WATER | | 0.00 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | 440.01 |
| FUEL-IRRIGATION | | 0.00 |
| REPAIRS | | 18.81 |
| CUSTOM CHARGES | | 1,722.00 |
| LAND TAXES | | 42.53 |
| OTHER EXPENSES | | 4,710.71 |
| TOTAL CASH EXPENSES | | <u>20,009</u> |
| RETURN OVER CASH EXPENSES | | 2,475.56 |
| FIXED EXPENSES | | 5,280.85 |
| TOTAL EXPENSES | | 25,290.28 |
| NET FARM INCOME | | -2,805.28 |
| LABOR AND MANAGEMENT COSTS | | 2,548.95 |
| NET OPERATING PROFIT | | -5,354.23 |
| | | |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | 51.58 |
| INTEREST ON EQUIPMENT INVESTMENT | | 365.84 |
| INTEREST ON LIVESTOCK ENTERPRISE | | 2,432.91 |
| TOTAL CAPITAL COSTS | | <u>2,850</u> |
| RETURN TO LAND AND RISK | | <u>-8,204.56</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|----------------|-----------------|------------------------|
| 1,000.00 /ACRE | -8,804.56 | -0.22 |
| 2,500.00 /ACRE | -9,704.56 | -0.10 |
| 4,000.00 /ACRE | -10,604.56 | -0.06 |
| 5,500.00 /ACRE | -11,504.56 | -0.05 |
| 7,000.00 /ACRE | -12,404.56 | -0.04 |
| 8,500.00 /ACRE | -13,304.56 | -0.03 |

* RETURN TO LAND AND RISK MINUS (INTEREST RATE TIMES LAND VALUE TIMES ACREAGE)

** NET OPERATING PROFIT DIVIDED BY (MACHINERY AND EQUIPMENT VALUE PLUS LAND VALUE)